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## Evaluating the Influence of Branding on Saudi Consumers' Decisions

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### Abstract

The Consumers' behavior depends on several factors that influence purchasing decisions. Moreover, these factors are different from country to country. This study aims to examine Saudi consumers' purchasing behavior, to identify the impact of brand name on their purchase decisions. Brand knowledge and how consumers view brands is vital to understand because the more consumers become aware of the brand and have knowledge of its price and quality, the more they will be attracted to that brand. This study indicates that consumers are affected by a number of other factors during their purchase decisions, including: brand perception, purchase stimuli, quality of the branded products and local brands. The results show that brand name influences the consumers' choice in the purchasing process and that consumers are influenced by the quality of a product before making the selection decision. Moreover, the results indicate that consumers are more attached to the internationally branded products than to the local branded products.

**Keywords:** Influence; Branding; Consumer Choices; Consumer Decisions.

### 1. Introduction

Marketers face many challenges and opportunities in the marketplace. Branding is one of the most important tools marketers can use to change a buyer's behavior and purchasing decisions. This is due to the fact that the brand image has a symbolic value that people associate with product quality, as well as their needs and satisfaction.

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If customers are satisfied with the product, they will trust the brand and become loyal to it, which is important for the company to sustain their brand name and image. Therefore, marketers need to understand the purchasing process of their consumers and build business strategies that concern the brand name. This study was conducted to examine the influence of brand name on Saudi consumer purchasing decisions and to find out how Saudi consumers response to the local brands in Saudi Arabia.

A brand is a name, symbol, logo or any feature that is considered as an identification for a product to distinguish it from other similar products. Branding is a strategy used in marketing; it's a tool that can change people's buying behavior towards a product. Branding has been around since the time when people started to create their own goods for selling or trading. It was used to mark belongings and goods. At that time branding was not something people paid a lot of attention to. However, with the industrial revolution and the increased competition between companies selling similar products, branding became important on a larger scale, leading researchers and marketers to consider and develop new concepts and theories regarding branding [1]. A brand may influence people decision on buying a product or not and how quickly they will purchase it, that is because people tend to develop a relationship with brands in a social and psychological sense [2].

Companies in the business environment are facing intense competition to satisfy consumers and understand their behavior. As a result, they are providing more benefits and clearly differentiating their products from others. In order to attract and keep loyal consumers, companies need to build good brand name. Branding plays a key role in the consumer decision making process as consumers purchase a product with preference to brand name and good company reputation. More importantly, strong brands can create long-term and loyal customers, which would lead to an increase in sales and, therefore, increase the profits in the future. This make it a necessity for companies to study the influence of brand name on Saudi consumers' decision making process and become more customer oriented. This study aims to determine the influence of brand name on purchasing behavior and to identify the impact of brand name on purchasing decision.

## **2. Literature Review**

Marketers in the current century face many challenges in order to be sustainable and competitive in the marketplace. Therefore, marketers have changed their marketing strategies by focusing on the brand name and involve themselves in constant research to develop brand performance. In addition, they strive to build better an understanding of customer attitude toward brands and brand knowledge's role in the purchasing decision process [3].

Indeed, brands are in almost every aspect of our life: economic, social, cultural and sporting. The American Marketing Association defined brand as a "[n]ame, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" [4]. Also, it is a mean to differentiate the product and position it strongly in a customer's mind. However, brand is not considered to be a new term. The word "brand" is an old Norse word meaning "to burn". This word was used because farmers used to put burn marks as identification on livestock to distinguish their livestock from others.

Branding is more than a name that refers to a company or organization; it consists of cooperation and long term involvement between firms which need a high level of resources and large number of different skills [5]. Moreover, brand has an effect on customers during their purchasing process. It is considered to be a part of the operational and emotional characteristics of customers, which support their decision and create perceived value to specific products [6]. Also, customers respond strongly to a specific brand because knowledge of the brand reduces the risks associated with the purchase intention and instills customer confidence in the product [5].

In 2010, an empirical study was conducted by Tasnuba Nasir, Mohammad Shamsuddoha and Alexandru Nedelea to determine the influence of brand name on car purchasing decision-making. The purpose of this study was to understand and identify what influences consumers' purchasing decision process and to know if a brand name has an impact on their decision, including their choice between different brands, especially when people purchase cars. To conduct this study the scholars used literature review and survey responses from a sample of 100 respondents of different age groups, incomes, and occupations. The collected data were analyzed and the results showed that the brand name does have an influence on consumer choice, i.e., they prefer to purchase a well-known branded car. They also showed that consumers do not want to purchase new or unknown branded cars as consumers have less information about them [7].

In 2014, a study was conducted by Abdurrahman Isik and Mehmet Yasar that aimed to investigate the effects of a brand name on customer preferences. The study was carried out in Turkmenistan, where a total of 422 surveys were collected and analyzed. The findings of the study indicate that brand of a product has a strong impact on the decision-making process of a customer. The results suggested that brand contributes in creating customer awareness of the product, which prompts brand purchase. In general, the results of this study imply that brand image has a positive and significant impact on customer preferences [8]. Also, in the same year four scholars conducted an experimental study in order to understand the impact of branding on consumer decision-making. Participants were university students in Gujranwala, Faisalabad and Lahore. After analyzing the collected data, they found that a brand name has a significant positive relationship with consumer buying behavior. This research study identified the importance of branding on consumer decision-making and how companies can put themselves in a good position to capture a good reputation [9].

Likewise, in 2015, Neyati Ahuja had conducted a study that aimed to analyze the effect of branding on customer buying behavior. The study was conducted with reference to the fashion industry in India. Analysis of result from a survey conducted among 100 respondents revealed that the major attributes that affect customers' decisions are price and brand, with other factors such as age, work status and income also influencing decisions. Moreover, the study results indicate that brands influence the customers' mind especially if the brand was advertised in a good way or if the customer has previous experience with that brand [10].

However, a study performed in 2015 by Nasibu R. Mramba to determine the influence of brand name of mobile phone on consumer buying decisions showed a different result. In this study, the data was collected using questionnaires and interviews of 160 mobile phone customers in Dodoma municipality. The results of the study showed that consumers' decision to purchase a mobile phone was influenced and dependent on three factors: customer needs, the country of origin, and the durability of the phone. Consumers were not shown to be loyal to

a single brand name. Therefore, the recommendation from this study is that the manufacturers of mobile phones should focus on the previously mentioned three factors in order to strengthen their marketing competitiveness [11]. In regard to the importance of customers' experiences during the purchasing process, a research by Ahmed Ismail, Lynn Lim and others was conducted to examine the impact of customer experience on brand loyalty; it provides an understanding of the various elements of experience that shape customer experience with the brand, especially in the service sector. It implies that elements such as quality, advertising, performance and customer mood during the purchasing process have a positive impact on the customer experience. Perceived service quality and good customer experience will contribute to the brand loyalty to the customer [12]. These studies proved the importance of the branding on consumer decision-making, but others explored the relationship between customer satisfaction and brand image. One study was conducted to investigate the to investigate the benefits a positive brand image can have on customer satisfaction and loyalty for a cosmetic brand in India. Surprisingly, the results of this study indicate that customer satisfaction may not create loyalty in the absence of brand image. Accordingly, in order to create a successful brand, marketing managers should consider customers' satisfaction and brand loyalty as part of branding strategy [13].

### **3. Methodology**

This section contains the methods that were used to gather the necessary data and information, the population under study and the tools used to analyze the obtained data. The research approach of this study includes two types of approaches: quantitative and qualitative. The quantitative method aims to classify features, count them, and create statistical models to test hypotheses and explain observations; it is applied to phenomena that can be expressed in terms of quantity. The qualitative method aims for a complete, detailed description of observations, including the context of events and circumstances, in order to discover the underlying motives and desires of consumers. To achieve the purpose of this study in an effective manner, the researchers gathered primary and secondary data. The primary data will be collected using a questionnaire. The secondary data is information already obtained from others' papers, reports, and research work related to branding. The questionnaire was reviewed by four examiners and pre-tested on a small sample before distributing it to ensure it was clear. Then an online questionnaire was distributed to Saudi individuals from different cities in Saudi Arabia. The questionnaire contains closed-ended and open-ended questions. A sample of 5450 Saudi consumers was collected through the questionnaire with 4.12% margin of error and 95% confidence level. There were no restrictions on the age, gender, occupation, and economic situation of the participants. The one restriction was location, as this study concerns mainly Saudi consumers.

### **4. Results**

This section presents the analysis of the responses. These data collected from consumers was analyzed using the Excel software to give a clear visualization of the data. The analysis of the data will be discussed in terms of demographic information, brand perception, purchase stimuli, factors affecting purchase decisions, quality of the branded products, and local brands. The following sub-sections present the findings for each of these categories.

#### 4.1 Demographic information

The demographic information includes the region, age, occupation, and income of the respondents. Table 1 presents the demographic information of the respondents.

**Table 1:** Demographic Information of the Respondents

Variables	Measuring group	Percentage (%)
Geographical Location	The Central Region	19.45
	The Northern Region	1.64
	The Southern Region	12.00
	The Eastern Region	9.45
	The Western Region	57.45
Age group	Between 18 and 25	48.72
	Between 26 and 40	32.45
	More than 42	18.8
Occupation	Private Sector	7.09
	Medical sector	4.91
	Professors	2.55
	Teachers	21.82
	University Students	30.27
	High School Students	3.27
	Entrepreneurs	10.45
	Housewives	19.64
Income in SR/month	Less than 2000	15.45
	Between 2000 and 5000	13.45
	Between 6000 and 10000	53.27
	More than 10000	17.82

As the above table shows, the majority of the respondents were from the Western Region. Furthermore, the data shows that the first age group 18 to 25-years-age-group accounted for 48.72%, the 26 to 40-years-age-group were 32.45 %, and more than 42 years-age-group were 18.8%.

Moreover, the above information shows that most of the respondents were university students (30.27%). The next highest number of respondents were teachers (21.82%).

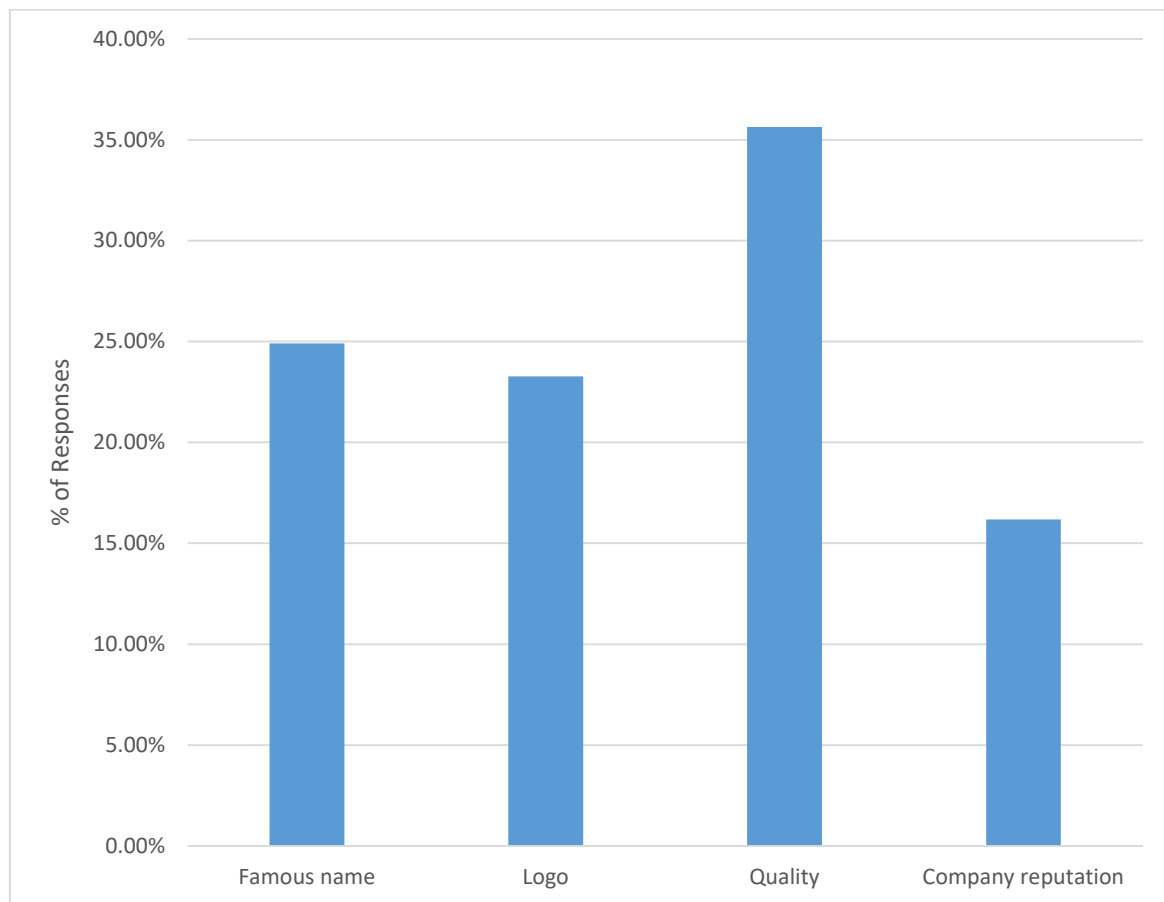
For income, the majority of the sample, 53.27%, had an income between 6000 and 10000 SR. In addition, 13.45% represented the income between 2000 SR and 5000 SR, 15.45% represented the income less than 2000 SR, and 17.82% who their income is above 10000 SR.

## 4.2 Brand Perception

The answer from this section were to allow us to gain an understanding of the brand perception from two aspects: Branding definition and consumer preferences.

### 4.2.1 Branding definition

The aim with these questions was to explore how “brand” is defined in the consumer’s mind in terms of the following choices: well-known name, logo, quality, and company reputation.

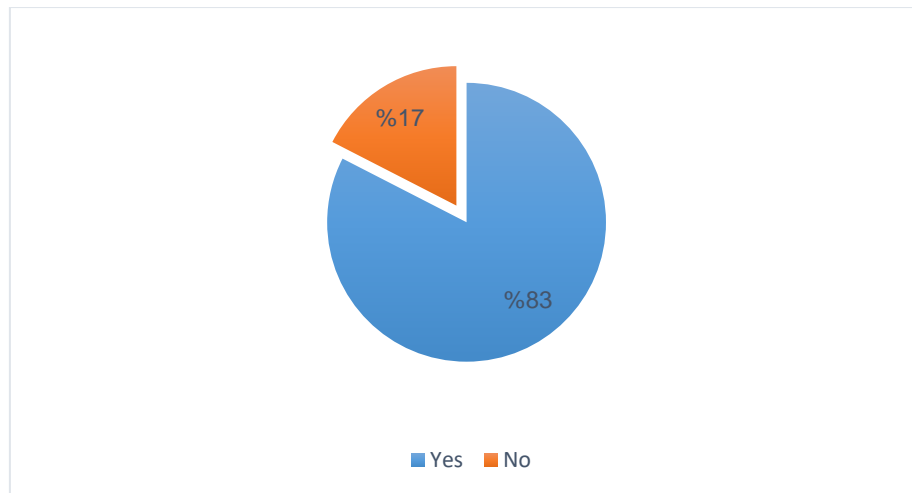


**Figure 1:** Brand from respondents' point of view

As figure 1 illustrates, 35.64% of the respondents defined branding as the quality of the product. On the other hand, only 16.18 % of them stated that branding is related to company reputation.

### 4.2.2. Consumer preferences

This section represented the consumer behavior with respect to buying branded products.

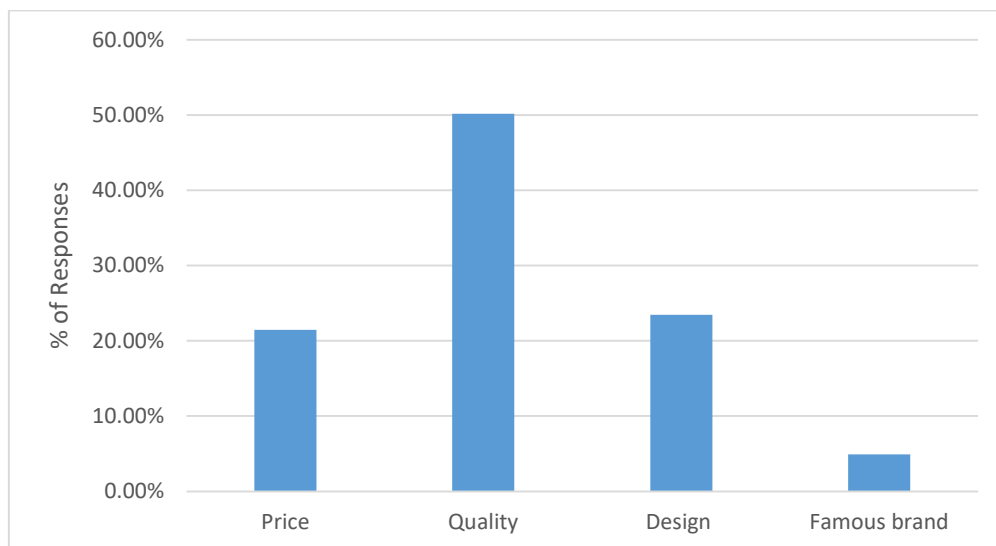


**Figure 2:** Brand preferences from respondents' point of view

As figure 2 shows, 83% of the respondents, an overwhelming majority, preferred buying a branded product rather than a lesser known product.

#### 4.3 Purchase Stimuli

Different stimuli affect a consumer's purchasing decision. These include: price, quality, product design, and well-known brand.



**Figure 3:** Most important product attribute from respondents' point of view

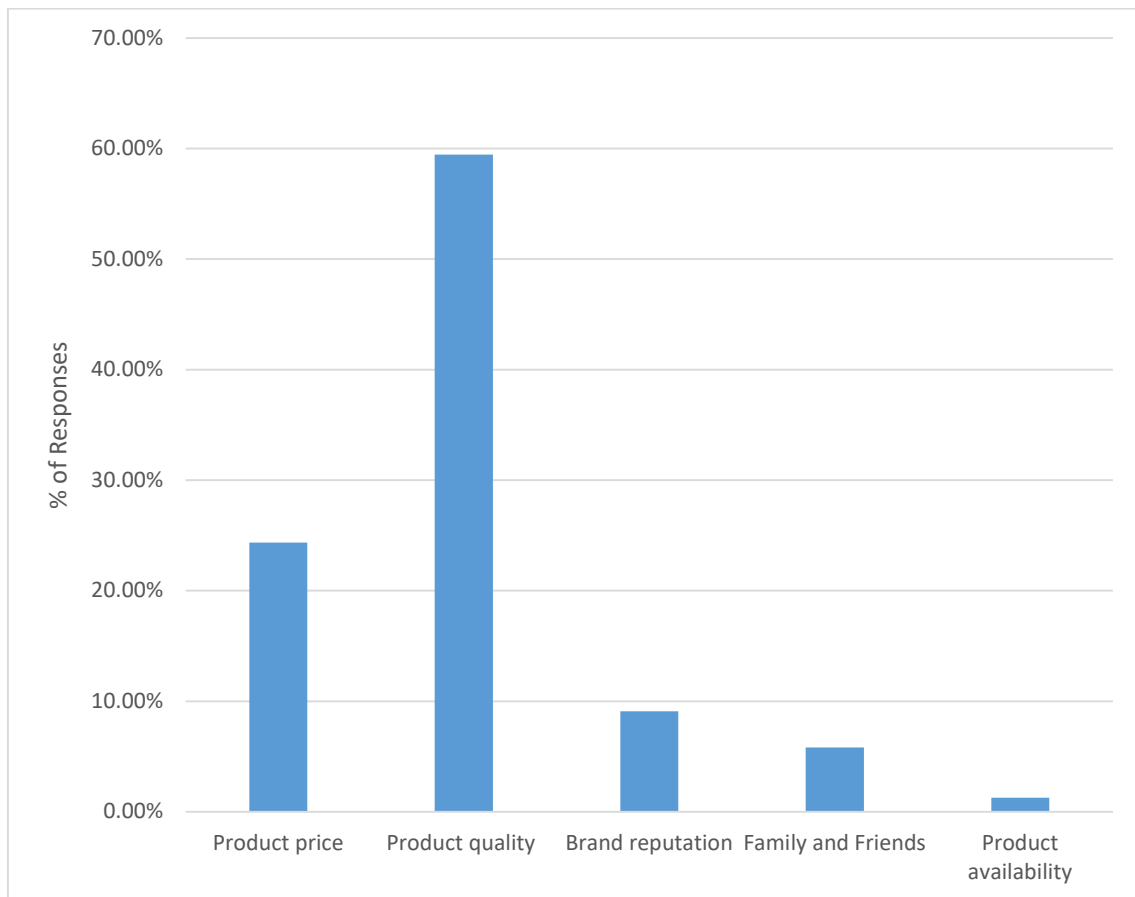
Figure 3 illustrates that the quality of the product is the attribute that most affects the purchasing decision, with 50.18% of respondents choosing this stimulus. The attribute most chosen after quality was the product design (23.45%), and then price (21.45%). The attribute that seems to least influence purchasing decision was well-known name of the brand.

#### 4.4 Factors affecting purchasing decisions

Consumers expressed that they were affected by a number of factors when making their purchasing decisions. These factors include: role in purchase decision, self-esteem, brand logo, and product originality. Each factor will be explained in detail.

##### 4.4.1 Role in purchasing decision

This section explores whether the purchase decision is made individually or is a collective decision with the family and friends, product price, product quality, brand reputation, and product availability.



**Figure 4:** Role in purchasing decision from respondents view

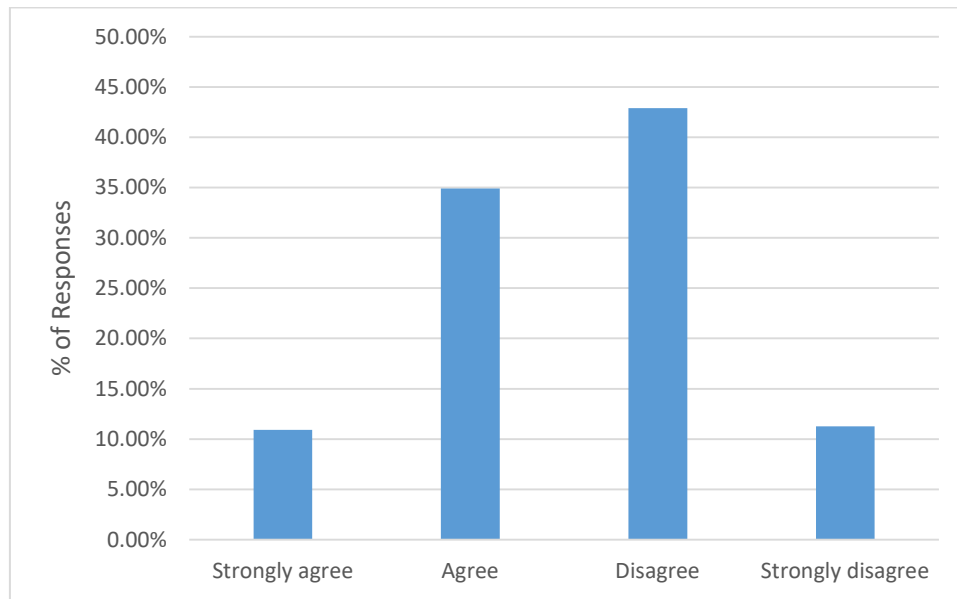
As seen in figure 4, the major deciding role in purchase decision was quality (59.45) while 24.36% attributed their purchase decision to be the price of the product or service. Brand reputation was chosen by 9.09%, 5.82% were influenced by their family and friends and 1.27% considered the availability of the product to as an important factor on their purchasing decision.

##### 4.4.2 Self-esteem

A person's self-concept is defined by self-esteem. It is essential to investigate the effect of self-esteem in the



purchase decision. This may have deep effect on consumer's brand choice.

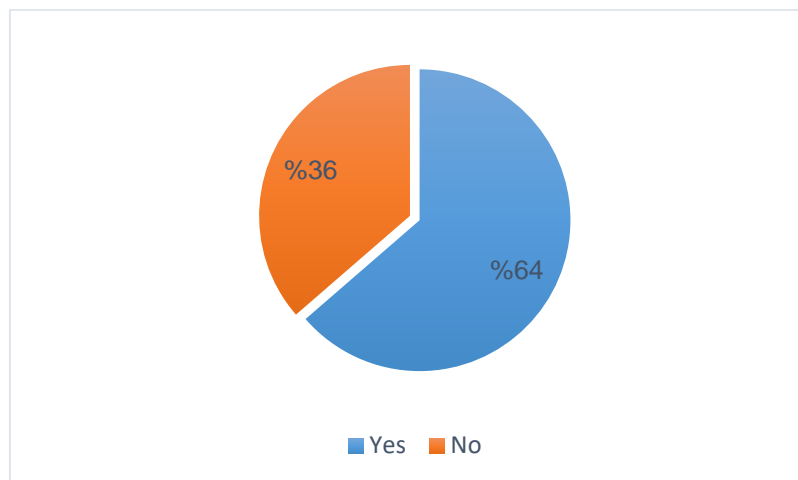


**Figure 5:** Effect of product image on self-esteem from respondents' point of view

After asking the participants whether a brand contributed to their self-esteem. The majority of respondents, 42.91%, considered the brand name of the product have no effect on their self-esteem. On the other hand, 34.91% of respondents felt that the brand name increases their self-esteem.

#### 4.4.3 Brand Logo

Logos are designed to acquire a good place in consumers' minds. If the logo is distinctive, consumers feel more comfortable and can identify the brand easily. This section will examine the effect of the logo if it existed or removed from the product.

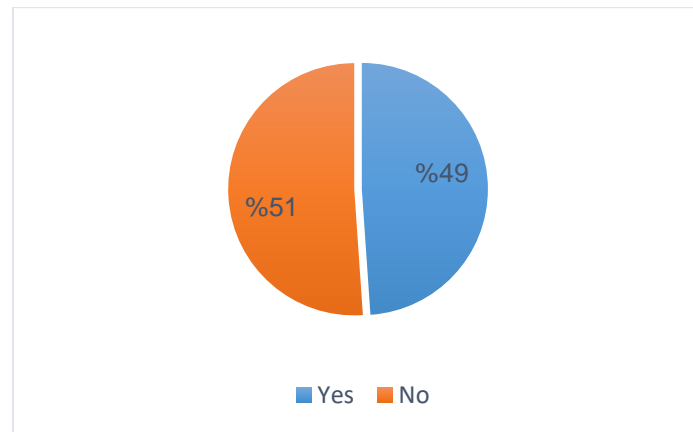


**Figure 6:** Importance of brand logo from respondents' point of view

Figure 6 shows that 63.36% of the respondents agreed that the brand logo have an effect on their purchase decision while 36.36% of them would purchase products without a logo.

#### 4.4.4 Product Originality

Product originality is important to keep the brand rights and to maintain the brand image quality. This section discusses the effect of product originality on purchasing decisions.

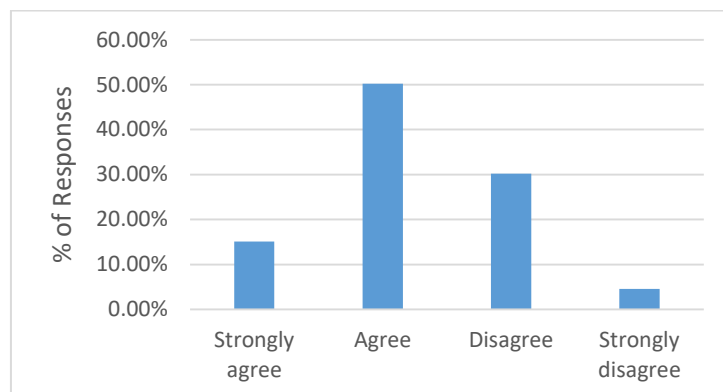


**Figure 7:** Importance of product originality from respondents' point of view

Figure 7 indicates that 51% of the respondents would refuse to buy copycat products whereas 49% considered product originality to be unnecessary.

#### 4.5 Quality of Branded Products

This section discusses the quality perception of the consumer for well-known and lesser known brands. In addition, it presents how strongly consumers equate quality of a product with brand.



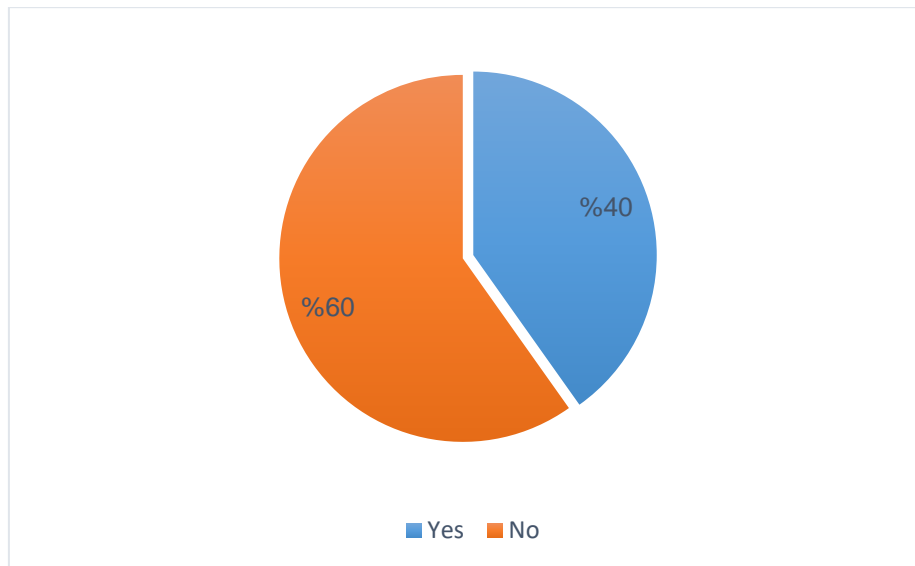
**Figure 8:** The quality perception of the consumer for well-known and lesser known brands from respondents' point of view

Figure 8 shows that 50.18 % of respondents agree that a well-known brand has a better quality than a lesser

known brand. 30.18% of them did not agree which means they only concern about the quality rather than brand name.

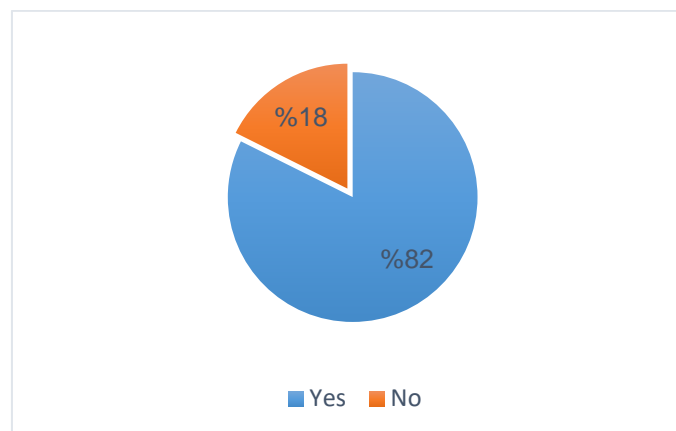
#### 4.6 Local Brands

This section present information about consumer behavior towards local brands from two aspects: buying and encouraging local brands.



**Figure 9:** Local brands preference from respondents' point of view

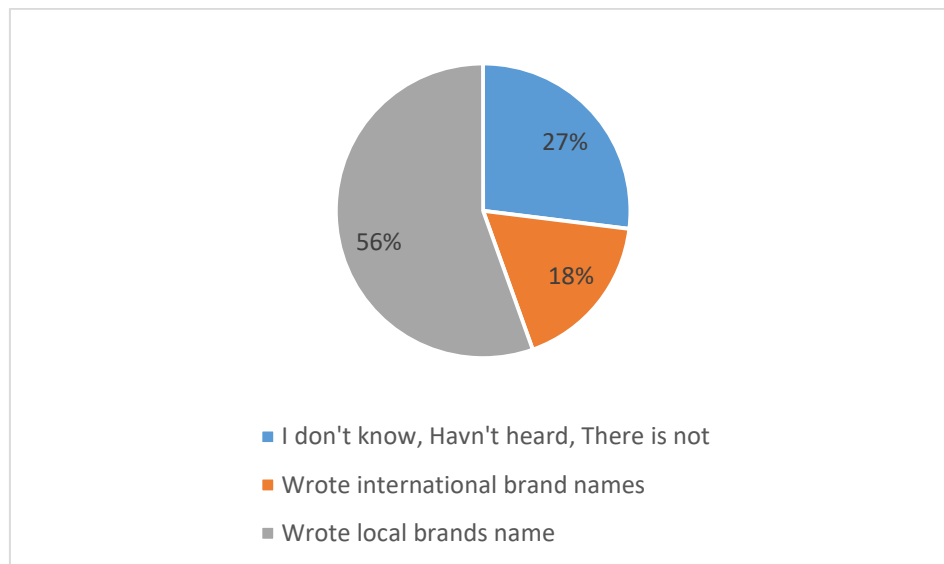
Figure 9 concludes that most respondents do not prefer buying local brands over international brands while 40% of the respondents would prefer to promote the local brands. From a perspective, national industry is in a nascent state in the Kingdom. Hence, it needs support from consumers to be well-known brands. Figure 10 presents the percentage of encouragement provided by consumers to local brands.



**Figure 10:** Local brands encouragement from respondents' point of view

Moreover, the questionnaire contained one open-ended question to see from respondents' perspectives what the famous local brands in Saudi Arabia are. Figure 11 shows that 27% from them answered "I don't know" or "I haven't heard of any local brand" and "there are no famous local brands". On the other hand, 18% from them answered with international brand names for clothes, make-up and phones.

The remaining respondents answered with local brand names, such as Almarai, Alsafi, Albaik, Alwatania, Alsaif and Halwani.



**Figure 11:** Famous local brands in Saudi Arabia from respondents' perspectives.

## 6. Discussion

The variables explored in this study are brand name and consumer buying behavior. They are considered independent and dependent variables, respectively. These variables are studied from different aspects in terms of demographic information, brand perception, purchase stimuli, factors affecting purchasing decisions, and quality of the branded products.

The purpose of this study was to examine Saudi consumer purchasing behavior. Therefore, a questionnaire was distributed among Saudi consumers. The results of the study showed that brand names influence the customer's choice in the purchasing process. Therefore, they are preferring to buy famous brand products even if they are a copycat, not an original.

Moreover, most of respondents linked the well-known brand with high quality. Accordingly, it plays a major role in purchase stimuli that motivate consumers to purchase a product. Also, it is vital in consumer purchasing decision-making. Due to this, consumers consider the brand logo as an important factor in purchasing decisions.

From the psychological aspect, it turned out that the brand name has little effect on the consumers' self-esteem as many of participants did not believe that the branded products enhanced self-esteem.

Regarding purchasing decision of new Saudi local brands, the respondents tended to buy international branded products instead of local brands because they prefer the quality and price of international brands. Additionally, most respondents were aware of local brands and they would encourage them in order to improve the economic situation of the country.

## **7. Conclusion and Recommendations**

The purpose of this study was to create a deeper understanding about the influence of brand name on purchasing decisions in Saudi Arabia. Therefore, a questionnaire was distributed, and the data collected revealed that brand names influence the customer's choice in the purchasing process. The results show that the Saudi consumers are influenced by the quality of a product and service before making a product selection. It also indicates that consumers often link the quality of a product with the brand name. Furthermore, Saudi consumers are much attached to the international branded products with the belief that brands provide high quality and competitive price compared with local brands. Finally, this study discussed the Saudi consumers' awareness of the local brands, finding that most of them were aware of Saudi brands in different areas.

The following recommendations may help local brands to attract Saudi consumers:

- 1) Lesser known-brands can attract new consumers by providing them products or service with high quality.
- 2) Branded products must have distinctive features to avoid consumer loss due to copycat products.
- 3) The government should provide strict laws and prosecute to prevent product imitation.
- 4) Reducing the prices of original products will encourage people to buy them and not looking for counterfeit alternatives.
- 5) Increase the local brands awareness through applying effective advertising strategies.
- 6) Extend this study by collecting more data from all over the Gulf region to better understand consumer behavior in this region.

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